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Message Text

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ACTION NEA-10

INFO OCT-01 AF-10 ARA-06 EUR-12 EA-07 ISO-00 ERDA-05
AID-05 CEA-01 CIAE-00 COME-00 EPG-02 DODE-00
EB-07 FEAE-00 FPC-01 H-01 INR-07 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-07 SP-02
SS-15 STR-04 TRSE-00 ACDA-07 PA-01 PRS-01 /136 W
----------171220Z 038271 /44
P R 171137Z MAY 77
FM AMEMBASSY ABU DHABI
TO SECSTATE WASHDC PRIORITY 6093
INFO AMEMBASSY ALGIERS
USINT BAGHDAD
AMEMBASSY CAIRO
AMEMBASSY CARACAS
AMCONSUL DHAHRAN
AMEMBASSY DOHA
AMEMBASSY JAKARTA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LAGOS
AMEMBASSY LIBREVILLE
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY PARIS
AMEMBASSY QUITO
AMEMBASSY TRIPOLI
AMEMBASSY TOKYO

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DEPT PASS BAGHDAD

E.O. 11652: N/A
TAGS : PFOR, ENRG, TC, SA
SUBJECT : YAMANI VISIT TO UAE
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REF: ABU DHABI 1466

1. SAUDI OIL MINISTER RETURNED TO RIYADH AFTER SPENDING DAY (MAY 16) IN ABU DHABI AND HELICOPTERING TO AL AIN TO MEET WITH UAE PRESIDENT SHAIKH ZAYID TO DELIVER MESSAGES FROM KING KHALID AND CROWN PRINCE FAHD. PRIOR TO LEAVING, YAMANI

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WAS INTERVIEWED BY LOCAL REPORTER. HIS CANDID REPLIES ARE REPORTED IN DETAIL IN MAY 17 AL-ITTIHAD. KEY PORTIONS OF HIS REPLIES, WHICH WE HAVE SOUGHT TO TRANSLATE AS ACCURATELY AS POSSIBLE, WOULD CLEARLY SEEM TO INDICATE THAT OPEC OIL COM-PROMISZPSIS STILL NOT IMMINENT AND THAT SAUDIS AND UAE ARE ADHERING TO THEIR PRESENT PRICE POLICY.

2. AFTER DESCRIBING KHALID AND FAHD MESSAGES TO SHAIKH ZAYID AS DEALING WITH SAUDI-UAE BILATERAL RELATIONS AND A REVIEW OF PETROLEUM AFFAIRS, YAMANI AFFIRMED THAT "SAUDI ARABIA WILL STICK TO THE CURRENT PRICE THAT IT HAS DEFINED FOR PETROLEUM AND THIS IS ALSO THE POSITION OF THE UAE. WE WANT TO REACH A SOLUTION WITH OUR OPEC COLLEAGUES AND MANY ATTEMPTS ARE UNDERWAY TO ARRIVE AT A UNIFIED PRICE POSITION BUT THESE ATTEMPTS HAVE NOT REACHED ACCEPTABLE RESULTS UP TO NOW. WE ALWAYS HOPE THAT A SOLUTION WILL BE REACHED THAT WILL OVERCOME THE TIERED PRICE SYSTEM." IN RESPONDING TO A QUESTION OF WHERE EFFORTS STOOD TO UNIFY OPEC OIL PRICES, YAMANI DESCRIBED THEM AS BEING IN THE "EARLY STAGES".

3. ASKED WHAT EFFECT THE LACK OF UNANIMITY IN REACHING A SINGLE PRICE WOULD HAVE ON FUTURE OF OPEC, YAMANI SAID "IT WILL DEFINITELY NOT AFFECT THE FUTURE (OF OPEC); OPEC WILL REMAIN STRONG AND COHESIVE AS LONG AS ITS MEMBER NATIONS ADHERE TO IT WITH SAUDI ARABIA AT ITS (OPEC'S) FOREFRONT."

4. ON OIL PRODUCTION, YAMANI DENIED THAT SAUDI ARABIA HAD LIMITED ITS PRODUCTION STATING "THERE IS NOTHING THAT CALLS LIMITED OFFICIAL USE

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FOR US NOW TO LIMIT OUR OIL PRODUCTION."

5. IN RESPONSE TO QUESTION WHETHER THERE COULD BE NARROWING OF DIFFERENCE BETWEEN TWO TIER PRICE SYSTEM BY HAVING SAUDIS (AND UAE) RAISING THEIR PRICES BY 3 PERCENT TO AN OVERALL LEVEL OF 8 PERCENT, WHILE OTHER OPEC COUNTRIES WOULD MAINTAIN THEIR PRICE AT 10 PERCENT AFTER JULY 1, YAMANI REPLIED THAT "I READ THIS IN THE PAPERS BUT IT HAS NOT BEEN A SUBJECT OF DISCUSSION FROM OUR SIDE."

6. IN REPLY TO A QUESTION REGARDING THE BASIS FOR VENEZUELAN PRESIDENT PEREZ' OPTIMISM IN SOLVING THE MULTI-TIERED PRICE SYSTEM, YAMANI DEFTLY SIDESTEPPED THIS ONE BY STATING THAT THE VENEZUELAN PRESIDENT HAD "PROVED TO BE A FIRST CLASS LEADER OF HIS COUNTRY AND A TRUE BELIEVER IN OPEC, AND THIS OPTIMISM EMANATES FROM HIS CAPABILITIES AS PRESIDENT OF A COUNTRY AND FROM HIS ADHERENCE AND FAITH IN OPEC."

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7. BALANCE OF INTERVIEW DEALT WITH LOSSES FROM FIRE AT ABQAIQ, WHICH HE SAID WERE BEING EVALUATED BUT WHICH WERE MUCH LESS THAN HAD BEEN REPORTED IN WORLD MEDIA, AND ON FORTHCOMING MEETING BETWEEN PRINCE FAHD AND PRESIDENT CARTER. TO LATTER, YAMANI SAID "HOW CAN WE TALK ABOUT SOMETHING THAT HAS NOT YET OCCURRED". DICKMAN

NOTE BY OC/T: NOT PASSED BAGHDAD.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Sent Date: 17-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ABUDH01473
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Litigation History:
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 ABU DHABI 1466
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
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Subject: YAMANI VISIT TO UAE LIMITED OFFICIAL USE LIMITED OFFICIAL USE
TAGS: PFOR, ENRG, TC, SA, OPEC, (YAMANI, AHMAD ZAKI)
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/763ebe92-c288-dd11-92da-001cc4696bcc
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